

House File 2440 - Introduced

HOUSE FILE 2440

BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HSB 645)

A BILL FOR

1 An Act relating to certain water quality programs and other
2 provisions properly related to water quality, making
3 appropriations, and including effective date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 16.1, Code 2018, is amended by adding the
2 following new subsection:

3 NEW SUBSECTION. 18A. "*Iowa nutrient reduction strategy*"
4 means the same as defined in section 455B.171, as amended by
5 2018 Iowa Acts, Senate File 512, section 18.

6 Sec. 2. Section 16.134, subsection 4, paragraph f, as
7 enacted by 2018 Iowa Acts, Senate File 512, section 4, is
8 amended to read as follows:

9 f. Priority shall also be given to communities that employ
10 technology to address the ~~latest version goals~~ of the "~~Iowa~~
11 ~~Nutrient Reduction Strategy~~" ~~initially presented in November~~
12 ~~2012 by the department of agriculture and land stewardship, the~~
13 ~~department of natural resources, and Iowa state university of~~
14 ~~science and technology~~ Iowa nutrient reduction strategy.

15 Sec. 3. Section 16.134, subsection 4, Code 2017, as amended
16 by 2018 Iowa Acts, Senate File 512, section 4, is amended by
17 adding the following new paragraph:

18 NEW PARAGRAPH. *0g.* Priority shall also be given to
19 communities whose drinking water facilities and systems use as
20 a supply, or to projects whose completion will improve, surface
21 waters on the state's impaired waters list as described in
22 section 455B.194 and 455B.195.

23 Sec. 4. Section 16.142, subsection 2, as enacted by 2018
24 Iowa Acts, Senate File 512, section 6, is amended to read as
25 follows:

26 2. "*Eligible entity*" means a municipality or a landowner,
27 as determined by the authority, a public utility as defined in
28 section 476.1, a specified industry, or a rural water district
29 or rural water association as defined in section 357A.1.

30 Sec. 5. Section 16.142, as enacted by 2018 Iowa Acts, Senate
31 File 512, section 6, is amended by adding the following new
32 subsection:

33 NEW SUBSECTION. 7. "*Specified industry*" means any of the
34 following:

35 a. An entity engaged in an industry identified in the Iowa

1 nutrient reduction strategy, as determined by the authority,
2 which industry is or will be required pursuant to the Iowa
3 nutrient reduction strategy to collect data on the source,
4 concentration, and mass of total nitrogen or total phosphorus
5 in its effluent, and to evaluate alternatives for reducing the
6 amount of nutrients in its discharge.

7 *b.* An entity implementing technology or operational
8 improvements to reduce nutrients in its discharge.

9 Sec. 6. Section 16.144, subsection 4, as enacted by 2018
10 Iowa Acts, Senate File 512, section 8, is amended to read as
11 follows:

12 4. By October 1, ~~2018~~ 2019, and by October 1 of each year
13 thereafter, the authority shall submit a report to the governor
14 and the general assembly itemizing expenditures from the fund,
15 if any, during the previous fiscal year.

16 Sec. 7. Section 16.145, subsection 1, paragraph a, as
17 enacted by 2018 Iowa Acts, Senate File 512, section 9, is
18 amended to read as follows:

19 *a.* The plan includes one or more projects that improve
20 water quality in the local area or watershed. Projects
21 shall use practices identified in the ~~latest version of the~~
22 ~~document entitled "Iowa Nutrient Reduction Strategy" initially~~
23 ~~presented in November 2012 by the department of agriculture~~
24 ~~and land stewardship, the department of natural resources,~~
25 ~~and Iowa state university of science and technology Iowa~~
26 nutrient reduction strategy. ~~A drainage or levee district~~
27 ~~established under chapter 468 shall utilize the installation of~~
28 ~~edge-of-field infrastructure as described in section 466B.43.~~

29 Sec. 8. Section 16.145, subsection 2, as enacted by 2018
30 Iowa Acts, Senate File 512, section 9, is amended to read as
31 follows:

32 2. The authority shall review and approve or deny
33 applications for financial assistance. The provision of
34 financial assistance under the program shall take into account,
35 as applicable, the number of municipalities, landowners,

1 public utilities, specified industries, rural water districts,
2 or rural water associations comprising an eligible entity
3 and the eligible entity's financing capacity. The authority
4 shall score applications for financial assistance according to
5 rules adopted pursuant to this part. The authority shall only
6 provide financial assistance to eligible entities that have
7 sufficient financing capacity and that submit an appropriate
8 plan designed to improve water quality.

9 Sec. 9. Section 466B.2, Code 2018, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 2A. "*Iowa nutrient reduction strategy*"
12 means the same as defined in section 455B.171, as amended by
13 2018 Iowa Acts, Senate File 512, section 18.

14 Sec. 10. Section 466B.2, subsection 3, Code 2018, is amended
15 by adding the following new paragraph:

16 NEW PARAGRAPH. e. A rural improvement zone established
17 pursuant to chapter 357H.

18 Sec. 11. Section 466B.3, subsection 3, paragraph c, Code
19 2017, as amended by 2018 Iowa Acts, Senate File 512, section
20 21, is amended to read as follows:

21 c. Whether the funds, programs, and regulatory efforts
22 coordinated by the council eventually result in a long-term
23 improvement to the quality of surface water in Iowa. To
24 evaluate the progress achieved over time toward the goals of
25 the Iowa nutrient reduction strategy, ~~as defined in section~~
26 ~~455B.171~~, and the United States environmental protection agency
27 gulf hypoxia action plan, the baseline condition shall be
28 calculated for the time period from 1980 to 1996.

29 Sec. 12. Section 466B.42, Code 2017, as amended by 2018
30 Iowa Acts, Senate File 512, section 22, is amended to read as
31 follows:

32 **466B.42 Water quality initiative.**

33 The division shall establish a water quality initiative
34 in order to assess and reduce nutrients in this state's
35 watersheds, including subwatersheds and regional watersheds,

1 and for implementing its responsibilities under the Iowa
2 nutrient reduction strategy ~~as defined in section 455B.171.~~
3 The division shall establish and administer projects to
4 reduce nutrients in surface waters from nonpoint sources in
5 a scientific, reasonable, and cost-effective manner. The
6 division shall utilize a pragmatic, strategic, and coordinated
7 approach with the goal of accomplishing reductions over time.
8 To evaluate the progress achieved over time toward the goals
9 of the Iowa nutrient reduction strategy and the United States
10 environmental protection agency gulf hypoxia action plan, the
11 baseline condition shall be calculated for the time period from
12 1980 to 1996.

13 Sec. 13. Section 466B.43, subsection 2, as enacted by 2018
14 Iowa Acts, Senate File 512, section 23, is amended to read as
15 follows:

16 2. The purpose of the programs is to support projects for
17 the installation of infrastructure, including conservation
18 structures, practices, or other measures that reduce
19 contributing nutrient loads, associated sediment, or
20 contaminants from sources to surface waters including but not
21 limited to surface waters on the impaired waters list of the
22 state that are used as a drinking water supply. The programs
23 shall be administered in a manner that is consistent with
24 ~~the latest version of the "Iowa Nutrient Reduction Strategy"~~
25 ~~initially presented in November 2012 by the department of~~
26 ~~agriculture and land stewardship, the department of natural~~
27 ~~resources, and Iowa state university of science and technology~~
28 Iowa nutrient reduction strategy.

29 Sec. 14. Section 466B.43, subsection 6, as enacted by 2018
30 Iowa Acts, Senate File 512, section 23, is amended to read as
31 follows:

32 6. By October 1, ~~2018~~ 2019, and each October 1, thereafter,
33 the division shall submit a report to the governor and the
34 general assembly itemizing expenditures, by hydrologic unit
35 code 8 watershed, under the programs during the previous fiscal

1 year, if any.

2 Sec. 15. Section 466B.44, subsections 2 and 7, as enacted
3 by 2018 Iowa Acts, Senate File 512, section 24, are amended to
4 read as follows:

5 2. The purpose of the program is to support watershed
6 projects and advance implementation of the ~~latest version of~~
7 ~~the "Iowa Nutrient Reduction Strategy" initially presented~~
8 ~~in November 2012 by the department of agriculture and~~
9 ~~land stewardship, the department of natural resources,~~
10 ~~and Iowa state university of science and technology Iowa~~
11 nutrient reduction strategy, which program support may
12 include demonstration projects that decrease erosion,
13 precipitation-induced surface runoff, and storm water
14 discharges and that increase water infiltration rates. The
15 program's projects shall be based on Iowa's storm water
16 management manual published by the department of natural
17 resources.

18 7. By October 1, ~~2018~~ 2019, and by October 1 of each year
19 thereafter, the division shall submit a report to the governor
20 and the general assembly itemizing expenditures under the
21 program, if any, during the previous fiscal year.

22 Sec. 16. 2018 Iowa Acts, Senate File 512, section 25,
23 subsections 1 and 3, are amended to read as follows:

24 1. The legislative council is requested to establish a
25 study committee for the ~~2017~~ 2018 interim to identify and
26 comprehensively review the financial and other challenges faced
27 by small cities in complying with the various state and federal
28 clean water standards, and to consider options for addressing
29 those challenges.

30 3. The interim committee shall submit its findings and
31 recommendations to the general assembly for consideration
32 during the ~~2018~~ 2019 legislative session.

33 Sec. 17. 2015 Iowa Acts, chapter 132, section 18, subsection
34 1, is amended by adding the following new paragraph:

35 NEW PARAGRAPH. 0b. The soil conservation and water quality

1 division of the department of agriculture and land stewardship,
2 in cooperation with Iowa state university of science and
3 technology, shall use moneys appropriated in paragraph "a"
4 to administer education and outreach programs that provide
5 information regarding in-field agricultural practices, and
6 their value, in order to further enhance the rate that such
7 practices are adopted.

8 Sec. 18. 2015 Iowa Acts, chapter 132, section 18, subsection
9 1, paragraph b, is amended to read as follows:

10 b. Notwithstanding [section 8.33](#), moneys appropriated in
11 paragraph "a" that remain unencumbered or unobligated at the
12 close of the fiscal year shall not revert but shall remain
13 available for expenditure for the purposes designated until the
14 close of the fiscal year beginning July 1, ~~2017~~ 2019.

15 Sec. 19. EFFECTIVE UPON ENACTMENT. The sections of this Act
16 amending 2015 Iowa Acts, chapter 132, section 18, take effect
17 upon enactment.

18 EXPLANATION

19 The inclusion of this explanation does not constitute agreement with
20 the explanation's substance by the members of the general assembly.

21 BACKGROUND. Senate File 512 (SF 512), as enacted by the
22 general assembly in 2018, creates new water quality programs,
23 amends an existing water quality program, provides for
24 transfers and appropriations related to water quality, creates
25 a water service excise tax and related sales tax exemption, and
26 provides for other changes properly related to water quality.

27 GENERAL AMENDMENTS TO SF 512. This bill eliminates the
28 way in which the Iowa nutrient reduction strategy is cited in
29 various provisions.

30 The bill eliminates a provision that requires drainage or
31 levee districts to utilize the installation of edge-of-field
32 infrastructure.

33 The bill relates to the wastewater treatment financial
34 assistance program (Code section 16.134). SF 512 provides
35 grants for the installation and upgrade of drinking water

1 facilities and by giving priority under that program to various
2 communities and projects. The bill provides that priority
3 under that program must also be given to communities whose
4 drinking water facilities and systems use as a supply, or to
5 projects whose completion will improve, surface waters on the
6 impaired waters list of the state.

7 The bill amends the water quality financing program by
8 providing that a specified industry is eligible to participate
9 and receive financial assistance under that program.

10 The bill amends water quality agriculture infrastructure
11 programs. SF 512 provides that the purpose of those programs
12 is to support certain measures that reduce nutrient loads,
13 associated sediment, or contaminants from sources to surface
14 waters. The bill provides that surface waters include but are
15 not limited to those described as the state's impaired waters
16 list that are used as a drinking water supply.

17 The bill adds rural improvement zones to the list of
18 political subdivisions that are eligible to participate as a
19 member of a watershed management authority.

20 The bill updates the inaugural date that annual reports
21 from the economic development authority and the division of
22 soil conservation and water quality within the department
23 of agriculture and land stewardship are due under the water
24 quality financing program and the water quality agriculture
25 infrastructure programs, respectively, from October 1, 2018,
26 to October 1, 2019.

27 The bill updates the establishment date for the legislative
28 interim study committee on small cities and clean water
29 standards, from the 2017 legislative interim to the 2018
30 legislative interim. The bill also updates from 2018 to 2019
31 the legislative session for which that interim committee,
32 is required to submit its findings for consideration by the
33 general assembly.

34 AMENDMENT TO PRIOR ACT. The bill amends a provision enacted
35 in 2015 (2015 Iowa Acts, chapter 132) that appropriated moneys

1 from the agriculture management account of the groundwater
2 protection fund to Iowa state university of science and
3 technology for purposes of supporting the collection and use
4 of data associated with in-field practices. The bill provides
5 that the remaining moneys may also be used to finance related
6 education and outreach programs. The bill provides that the
7 moneys may be expended for those purposes until the close of
8 the fiscal year beginning July 1, 2019.

9 EFFECTIVE DATE. The bill makes the provision authorizing
10 the use of moneys appropriated from the groundwater protection
11 fund effective upon enactment.